GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:719
ANSWERED ON:25.02.2011
SETTLEMENT OF LOANS THROUGH ONE TIME SETTLEMENT SCHEME
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Will the Minister of FINANCE be pleased to state:

(a) the details of the applications received by the public sector banks for settlement of loans through one time settlement scheme during the last three years and the current financial year alongwith number of such applications settled during the same period;

(b) whether the loan defaulters whose loans have been declared non-performing assets and written off had applied for settlement of their loan through the said scheme;

(c) if so, the details thereof alongwith the details of such ioan defaulters who have defaulted for more than Rupees one crore; and

(d) the corrective steps taken / being taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN MINISTRY OF FINANCE {SHRI NAMO NARAIN MEENA)

(a)& (b): The present information system of Reserve Bank of India (RBI) does not capture data on one-time settlement of loans by banks. However, data on amount written off and Gross NPAs of the public sector banks for the last three financial years is as under:

(Amount Rs. In crore)

Year	Gross NPAs	Total Write Off during the year
2007-08	40,598	8,021
2008-09	45,918	7,217
2009-10	59,924	10,966

Source: Off-site returns (Global Operations)

(c): RBI disseminates list of non-suit filed borrowers of banks and Financial Institutions (FIs) with outstanding aggregating Rs. 1 crore and above as on 31st March and 30th September each year for their confidential use. Further, Credit Information Bureau (India) Limited (CIBIL) is maintaining a database on suit-filed accounts of Rs. 1 Crore and above. As on 31.03.2010, the details of defaulters of banks and FIs of Rs. 1 crore and above are as under:-

	No, of accounts	Amount {Rs. in Crore)
Non-suit filed	2577	27,550

Suit filed	6288	49,741	

(d): To improve the health of financial sector, to reduce the NPAs, to improve asset quality of the banks and to create a good recovery climate, Reserve Bank of India (RBI) and the Government have already taken various steps over the years, which, inter-alia, include prescribing prudential norms for provisioning and classification of non-performing assets, guidelines for prevention of slippages, Corporate Debt Restructuring and other restructuring schemes, One Time Settlement schemes, enactment of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, the Credit Information Companies (Regulation) Act, 2005 and the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993 etc.